

SAPC-24062
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NEGOTIATED CONTRACT

Contract No. HF-EQ-6081

Eastman Kodak Company
Rochester, New York

Contract For: See Schedule

Amount: [REDACTED]

25X1A

Mail Voucher to:

Performance Period:
See Schedule

Administrative Data:

This contract is entered into, by and between the United States of America, hereinafter called the Government represented by the Contracting Officer executing this contract, and the above-named Contractor which is a Corporation, incorporated in the State of New Jersey, hereinafter called the Contractor.

The parties hereto agree that the Contractor shall furnish the facilities and deliver all supplies and perform all the services set forth in the attached schedule issued hereunder, for the consideration stated herein.

The rights and obligations of the parties to this contract shall be subject to and governed by the attached Schedule, Appendix 1, and General Provisions, which together with this signature page and the accompanying certificate comprise this Contract No. HF-EQ-6081. In the event of any inconsistency between the Schedule and the General Provisions, the Schedule shall control.

IN WITNESS WHEREOF, the parties hereto have executed this contract as of July 12, 1957.

Signatures:

EASTMAN KODAK COMPANY

THE UNITED STATES OF AMERICA

25X1A

TITLE Vice President & General Manager

TITLE
Contracting Officer

~~Secret~~

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C E R T I F I C A T E

25X1A

I, [REDACTED], certify that I am the
Secretary of the Corporation named
as Contractor herein; that [REDACTED] 25X1A
who signed this contract on behalf of the Contractor was then
Vice President of said Corporation; that said
contract was duly signed for and in behalf of said Corporation
by authority of its governing body, and is within the scope of
its Corporate powers.

25X1A

[REDACTED] (Corporate Seal)
Signature

SECRET

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EDS

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SCHEDULE

PART I - SUPPLIES AND SERVICES TO BE FURNISHED

The Contractor shall perform all work and services necessary to construct, test and deliver to the Government the items of equipment set forth in the attached APPENDIX I, such appendix being a part of this Schedule under the contract.

PART II - CONSIDERATION AND PAYMENT

In accordance with the clause of this contract entitled "PAYMENTS," and subject to redetermination of the price in accordance with the part of this Schedule entitled "PRICE REDETERMINATION," the Government shall pay the Contractor upon satisfactory performance of this contract, as full payment for the services and equipment to be furnished by the Contractor hereunder, the amount of [REDACTED]

25X1A
25X1A

which amount is the total price of Items Nos. 1 through 17 in APPENDIX I, hereto.

PART III - DELIVERY SCHEDULE AND ANTICIPATORY COSTS

(a) All deliveries under this contract shall be made in accordance with APPENDIX I.

(b) All costs which have been incurred by the Contractor on and after 30 August 1956, in anticipation of this contract and prior to its signing and which if incurred after signing would have been considered as allowable items of cost for this contract shall be considered as allowable items of costs hereunder.

PART IV - PRICE REDETERMINATION

(a) Within sixty days after the completion or termination of this contract, the Contractor will submit to the Contracting Officer a detailed statement of costs of performing this contract. Upon the written demand of the Contracting Officer, made at any time within thirty days after the submission of such statement, the Contractor will negotiate to reduce the contract price to an amount representing fair and reasonable compensation for the performance of the contract. In such negotiations the efficiency of the Contractor in production, buying and management will be given due weight.

(b) In conducting the negotiations for the purpose of reducing the contract price to an amount representing fair and reasonable compensation, the parties will use as a basis the signed statement

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of costs referred to above. Such detailed statement of costs shall include a breakdown of the labor, burden and materials constituting the cost of performance of the work hereunder and shall be certified by the Comptroller of any Division of the Contractor doing a substantial portion of the work, the Comptroller of the Apparatus and Optical Division and a corporate official of the Company. For the purpose of price redetermination it is understood that in respect of purchases to be made by the Apparatus and Optical Division from other plants or divisions of the Contractor (which shall not be deemed to include subsidiaries or affiliates) the following principles shall apply: (1) to the extent that such purchases relate to items normally produced and sold by the Contractor, such purchases may be made at net wholesale or, where there is no net wholesale, negotiated prices normally charged by the Contractor pursuant to its catalog or otherwise for such items, (2) to the extent that such purchases relate to parts, components or property intended to be incorporated into the articles to be produced, repaired, or modified, special tools, supplies, miscellaneous equipment, facilities or other property, or to design engineering, research or development services or any other services to be performed by the Contractor's employees not regularly assigned to the project, such purchases may be made at negotiated prices estimated but not warranted by the Contractor not to exceed plant cost, such purchases from other plants or divisions being treated for purposes of audit no differently than purchases under similar terms and conditions from third parties, and therefore not subject to audit in the absence of fraud.

The Contractor further agrees to include in each of his subcontracts which is on a cost or cost-plus-a-fixed-fee or a price redetermination basis a provision to the effect that the subcontractor agrees (i) to submit to the Contracting Officer such cost data as may be required for price redetermination, (ii) to permit the Contracting Officer to make or cause to be made such examination and audits of the books, records and accounts as the Contracting Officer may deem necessary, and (iii) to include a like provision in each of his subcontracts which is on a cost or cost-plus-a-fixed-fee or a price redetermination basis.

(c) If within thirty (30) days after the making of such demand (or such further period as may be fixed by written agreement) the Contracting Officer and the Contractor fail to agree to a redetermined price (which term, for the purpose of this clause, shall include direct costs, indirect costs and profits), the failure to agree shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(d) The Government shall retain from amounts otherwise due the Contractor, or the Contractor shall repay to the Government if paid to him, any amount by which the contract price is found as a result of the application of this clause to exceed a fair

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and reasonable price, as the Contracting Officer may direct.

PART V - PROGRESS PAYMENTS

(a) Progress payments, which are hereby defined as payments prior to acceptance, on contract work in progress for the Government under this contract, may be made upon the following terms and conditions.

(b) The Contracting Officer may, from time to time, authorize progress payment to the Contractor upon property acquired or produced and services performed by it for the performance of the contract; PROVIDED: That such progress payment shall not exceed the cost to the Contractor of the property and services upon which payment is made, which costs shall be determined from evidence submitted by the Contractor and which must be such as is satisfactory to the Contracting Officer; and PROVIDED FURTHER, That in no event shall the total of unliquidated progress payments (see (e) below) and of unliquidated advance payments, if any, made under this contract, exceed 90 percent of the total contract price of supplies or services still to be delivered.

(c) Upon the making of any progress payments under this contract, title to all parts, materials, inventories, work in progress, nondurable tools theretofore acquired or produced by the Contractor for the performance of this contract and properly chargeable thereto under sound accounting practice shall vest in the Government; PROVIDED, That nothing herein shall deprive the Contractor of any further progress or final payments due or to become due hereunder; or relieve the Contractor or the Government of any of their respective rights or obligations under this contract.

(d) The Contractor represents and warrants that the property upon which any progress payment is made hereunder, shall be cleared of all liens and incumbrances of any kind whatsoever upon receipt of any progress payment.

(e) In making payment for the supplies furnished hereunder there shall be deducted from the contract price therefor a proportionate amount of the progress payments theretofore made to the Contractor, under the authority herein contained.

(f) It is recognized that property (including, without limitation, completed supplies, spare parts, drawings, information, partially completed supplies, work in progress, materials, fabricated parts and other things called for herein) title to which is

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or may hereafter become vested in the Government pursuant to this clause will from time to time be used by or put in the care, custody or possession of the Contractor in connection with the performance of this contract. The Contractor, either before or after receipt of Notice of Termination at the option of the Government, may acquire or dispose of property to which title is vested in the Government under this clause, upon terms approved by the Contracting Officer; PROVIDED, That after receipt of Notice of Termination, any such property that is a part of termination inventory may be acquired or disposed of only in accordance with the provisions of the termination clause of this contract and applicable laws and regulations. The agreed price (in case of acquisition by the Contractor) or the proceeds received by the Contractor (in case of other disposition) shall, to the extent that such price and proceeds do not exceed the unliquidated balance of progress payments hereunder, be paid or credited to the Government as the Contracting Officer shall direct; and such unliquidated balance shall be reduced accordingly. Current production scrap may be sold by the Contractor without approval of the Contracting Officer in accordance with the Contractor's regular procedures and Contractor's accounting procedure for credits therefrom. Upon liquidation of all progress payments hereunder or upon completion of deliveries called for by this contract, title to all property (or the proceeds thereof) which has not been delivered to and accepted by the Government under this contract or which has not been incorporated in supplies delivered to and accepted by the Government under this contract and to which title has been vested in the Government under this clause shall vest in the Contractor.

(g) The provisions of this contract referring to "Liability for Government-Furnished Property" and any other provisions of this contract defining liability for Government-furnished property shall be inapplicable to property to which the Government shall have acquired title solely by virtue of the provisions of this clause. The provisions of this clause shall not relieve the Contractor from risk of loss or destruction or damage to property to which title vests in the Government under the provisions hereof.

(h) If this contract (as heretofore or hereafter supplemented or amended) contains provisions for advance payments, and in addition if at the time any progress payment is to be made to the Contractor under the provisions of this progress payments clause any unliquidated balance of advance payments is outstanding, then notwithstanding any other provisions of the Advance Payments clause of this contract the net amount, after appropriate deduction for liquidation of the advance payment, of such progress payment shall be deposited in the special bank account or accounts maintained as required by the provisions of the Advance Payments clause, and shall thereafter be withdrawn only pursuant to such provisions.

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PART VI - FURNISHING OF MATERIALS OR SUPPLIES AT THE GOVERNMENT'S OPTION

The Government may at its option, from time to time, furnish the Contractor with materials or supplies not obtainable in the open market and which are required by the Contractor for the performance of this contract. In such event, an equitable reduction in the contract price shall be made prior to the delivery of such materials or supplies to the Contractor, or as soon thereafter as possible, but in no event later than thirty (30) days after such delivery.

PART VII- WAIVER OF REQUIREMENTS OF GENERAL PROVISIONS

Notwithstanding the requirements of any of the General Provisions of this contract to the contrary, whenever the Contractor, in performance of the work under this contract, shall find that the requirements of any of the clauses of the General Provisions are in conflict with security instructions issued to the Contractor by the Contracting Officer or by his duly authorized representative for security matters, the Contractor shall call the attention of the Contracting Officer to such conflict and the Contracting Officer or his duly authorized representative for security matters shall (i) modify or rescind such security requirements or (ii) the Contracting Officer shall issue to the Contractor a waiver of compliance with the requirements of the General Provisions conflicting with such security requirements. Any waiver of compliance with the General Provisions of this contract issued by the Contracting Officer shall be in writing, except that the approval of the Contracting Officer of any subcontract issued hereunder by the Contractor shall be deemed to constitute approval of waiver of any clauses of the General Provisions in conflict with the stipulations of such subcontract.

PART VIII - SPECIAL SECURITY RESTRICTIONS

The Contractor shall not reveal (i) the specific nature or any details of the work being performed hereunder or (ii) any information whatsoever with respect to the department of the Government sponsoring this contract and the work thereunder except as the Contractor is directed or permitted to reveal such information by the Contracting Officer or by his duly authorized representative for security matters, and notwithstanding any clause or section of this contract to the contrary. The Contractor shall not interpret any clause or section of this contract as requiring or permitting divulgence of such information to any person, public or private, or to any officer or department of the Government without the express consent of the Contracting Officer or his duly authorized representative for security matters.

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PART IX - LETTER OF INTENT SUPERSEDED

This is the Definitive Contract contemplated by the Letter of Intent dated 30 August 1956. This Definitive Contract supersedes said Letter of Intent. Work performed under said Letter of Intent shall be deemed to be work performed under this Definitive Contract. The date of the Letter of Intent shall govern for the determination of the priority status of the Definitive Contract. In the event of conflict between this Definitive Contract and said Letter of Intent, this Definitive Contract shall prevail.

PART X - INSPECTION AND AUDIT

(a) The contractor agrees that the books and records of its Apparatus and Optical Division shall at all reasonable times be subject to inspection and audit by any authorized representative of the Contracting Officer.

(b) The Contractor shall cause a like provision to be included in all subcontracts hereunder outside the Eastman Kodak Company.

PART XI - INSPECTION AND ACCEPTANCE

Final inspection and acceptance by the Government of all equipment to be furnished under this contract will be made as provided in APPENDIX I. The Contracting Officer shall have the right to require such preliminary inspection or inspections at the plant or plants of the contractor as he shall deem necessary. Further provisions regarding inspection are contained in Clause 5 of the General Provisions.

PART XII - SUBCONTRACTS FOR WORK OR SERVICES

(a) No contract shall be made by the Contractor with any other party for furnishing any of the completed or substantially completed articles, spare parts or work, herein contracted for, without the written approval of the Contracting Officer as to sources.

(b) The Contractor shall give specific advance notification to the Contracting Officer of any proposed subcontract hereunder which (1) is on a cost or cost-plus-a-fixed-fee basis, or (2) is on a fixed-price basis exceeding in dollar amount either \$25,000, or five percent (5%) of the total amount of this contract.

(c) The Contractor shall not, without the prior written consent of the Contracting Officer, place any subcontract which (1) is on a cost or cost-plus-a-fixed-fee basis, or (2) is on a fixed-price

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basis exceeding in dollar amount either \$25,000 or five percent (5%) of the total amount of this contract, or (3) provides for the fabrication, purchase, rental, installation or other acquisition, of any item of industrial facilities, or of special tooling having a value in excess of \$1,000, or (4) is on a time-and-material or labor-hour basis. The Contracting Officer may, in his discretion, ratify in writing any such subcontract; such action shall constitute the consent of the Contracting Officer as required by this paragraph (c).

(d) The Contractor agrees that no subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

(e) The Contracting Officer may, in his discretion, specifically approve in writing any of the provisions of a subcontract. However, such approval or the consent of the Contracting Officer obtained as required by this clause shall not be construed to constitute a determination of the acceptability of the subcontract price, unless such approval specifically provides that it constitutes a determination of the acceptability of the subcontract price.

(f) The Contracting Officer may approve all or any part of the Contractor's purchasing system and from time to time rescind or reinstate such approval. Such approval shall be deemed to fulfill the requirements for obtaining the Contracting Officer's consent to subcontracts as prescribed in paragraph C above.